

Message Text

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PAGE 01 MTN GE 02854 131607Z

44

ACTION EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

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FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1393

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TAGS: ETRD, MTN, MY

SUBJ: MTN TROPICAL PRODUCTS CONSULTATIONS - MALAYSIA

REF: 75 MTN GENEVA 9193

1. SUMMARY. US MTN DEL (GRAEF, ET AL) HELD BILATERAL TROPICAL PRODUCTS (TP) CONSULTATION FRIDAY, APRIL 9, WITH MALAYSIAN MTN DEL PHANG. US DEL ELABORATED ON ITS MARCH OFFER TO NEGOTIATE MFN TARIFF CONCESSIONS IN TP GROUP, AND PRESENTED MALAYSIAN DEL WITH LIST OF CONTRIBUTIONS US IS SEEKING FROM MALAYSIA IN TP NEGOTIATIONS. MALAYSIAN DEL QUESTIONED U.S. POLICY OF SEEKING LDC CONTRIBUTIONS IN CONTEXT OF TP NEGOTIATIONS, BUT UNDERTOOK TO HAVE GOM EVALUATE US OFFER AND REQUEST AND TO RESPOND TO US MTN DEL IN LIMITED OFFICIAL USE

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PAGE 02 MTN GE 02854 131607Z

NEAR FUTURE. END SUMMARY.

2. US MTN DEL HELD BILATERAL CONSULTATION WITH MALAYSIAN MTN DEL IN CONTEXT OF CURRENT ROUND OF BILATERAL TP CONSULTATIONS TO ELABORATE ON US TP OFFER AND TO PRESENT US REQUEST FOR SPECIFIC LDC CONTRIBUTIONS TO TP NEGOTIATIONS. US DEL ESTIMATED TRADE VALUE OF 9 PRODUCTS ON US'S GLOBAL TP OFFER LIST WHICH WERE ON MALAYSIAN TP REQUEST LIST TO THE US WAS OVER \$11 MILLION IN 1974 US IMPORTS. US DEL EXPRESSED HOPE THAT AGREEMENT COULD BE REACHED WITH MALAYSIAN DEL AT SOME FUTURE MEETING ON THE TRADE VALUE OF US TP OFFER TO MALAYSIA. US DEL INDICATED US INTENTION TO BIND MFN DUTY REDUCTIONS, NOTING HOWEVER, THAT BINDING WAS RELATED TO IMPLEMENTATION OF ANY AGREEMENT REACHED BUT THAT WE HAD NO POSITION ON IMPLEMENTATION AT THIS STAGE OF THE NEGOTIATIONS. USDEL INDICATED TWO PRODUCTS OF INTEREST TO MALAYSIA ON WHICH, BECAUSE OF DOMESTIC PRESSURES, MEANINGFUL CONTRIBUTIONS FROM DEVELOPING COUNTRIES WOULD BE NEEDED IN ORDER FOR US TO BIND DUTY REDUCTIONS TO ZERO (TSUS 141.45 AND 176.04).

3. CONCERNING ABSENCE OF US OFFERS ON NTB'S, US DEL NOTED THAT AS GENERAL POLICY MOST NTM'S MORE APPROPRIATELY ADDRESSED TO NTM SUBGROUP. WITH RESPECT TO MALAYSIAN REQUEST FOR REVISION OF CERTIFICATION PROCEDURES BY PRIVATE US STANDARDS GROUP, US DEL NOTED USG DID NOT CONTROL ACTIVITIES OF SUCH GROUPS, AND THAT THESE WERE REQUIREMENTS OF PURCHASERS, NOT USG. US DEL NOTED THAT STANDARDS CODE WOULD SEEK AGREEMENT ON PROCEDURES FOR STANDARDS-MAKING TO ASSURE THAT INTERESTED COUNTRIES HAD AN INPUT INTO THIS PROCESS. IN RESPONSE TO SPECIFIC MALAYSIAN REQUEST, US DEL INDICATED IT WOULD AGAIN SEEK FURTHER INFORMATION FROM WASHINGTON ON FOLLOWING NTB'S CONTAINED ON MALAYSIAN REQUEST LIST. THESE ARE: (A) TSUS 114.45 -- MALAYSIAN REQUEST TO BE INFORMED ON THE SPECIFIC BACTERIA COUNT FOR FROZEN SHRIMP; (B) TSUS 149.98 -- REQUEST FOR AMENDMENT OF HEW'S DEFINITION OF PINEAPPLE CUBES. U.S. ALSO AGREED TO SUPPLY DEFINI-
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PAGE 03 MTN GE 02854 131607Z

TIVE STATUS OF BINDING ON PALM OIL TSUS 176.34.

4. US DEL PRESENTED MALAYSIAN DEL WITH CONFIDENTIAL NEGOTIATING LIST PREPARED BY WASHINGTON AGENCIES OF 9 MFN CONTRIBUTIONS ON MALAYSIAN IMPORTS WHICH THE US IS SEEKING AS CONTRIBUTIONS IN THE TP GROUP NEGOTIATIONS (LIST FOLLOWS BY SEPTTEL). US DEL REPEATED ADHERENCE TO TOKYO DECLARATION INCLUDING

PARAGRAPH 5, INDICATING US WAS ASKING MALAYSIA FOR MUCH LESS IN TRADE VALUE THAN IT WAS OFFERING. US DEL EMPHASIZED LIST OF CONTRIBUTIONS SOUGHT WAS NOT A SHOPPING LIST, BUT INVITED MALAYSIAN DEL TO ANALYZE AND EVALUATE BOTH THE US OFFER AND REQUEST ON BASIS OF MALAYSIAN TRADE INTEREST.

5. MALAYSIAN DEL ASKED NUMBER OF QUESTIONS CONCERNING US REQUEST FOR CONTRIBUTION IN THE TP GROUP. HE INITIALLY NOTED LDC POSITION THAT CONTRIBUTIONS WOULD ONLY BE FORTHCOMING AT END OF THE MTN WHEN NET BENEFITS TO LDC'S WERE KNOWN. HE ASKED IF US WAS SEEKING BALANCE ONLY IN TP OR OVERALL NEGOTIATIONS, AND NOTED THAT US WAS ASKING FOR CONTRIBUTIONS ON OTHER THAN TROPICAL PRODUCTS. HE ALSO OBSERVED THAT THERE WERE A NUMBER OF ASPECTS OF THE MTN, SUCH AS THE STANDARDS CODE, IN WHICH IT WOULD BE POSSIBLE FOR LDC'S TO MAKE CONTRIBUTIONS BUT THE NATURE OF CONTRIBUTIONS WOULD NOT BE KNOWN UNTIL THE CLOSE OF THE NEGOTIATIONS.

6. MTN DEL REMINDED MALAYSIAN DEL THAT US POSITION ON LDC CONTRIBUTIONS WAS WELL KNOWN AND HAD BEEN STATED IN PLENARY AND BILATERAL SESSIONS. US WOULD NEED SPECIFIC CONTRIBUTIONS IN ORDER TO MAKE MFN CONCESSIONS. WITH RESPECT TO TIMING, MTN DEL NOTED IT WAS UP TO MALAYSIA TO EVALUATE AND REPLY TO US OFFER AND REQUEST. IT WOULD BE PRUDENT TO BEGIN SERIOUS DISCUSSIONS IN THE COMING MONTHS. MALAYSIAN DEL UNDERTOOK TO TRANSMIT US REQUEST TO HIS GOVERNMENT, AND WOULD BE IN TOUCH WITH US DEL AS SOON AS POSSIBLE.

7. MALAYSIAN DEL INQUIRED IF US DEL HAD ANY LIMITED OFFICIAL USE

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PAGE 04 MTN GE 02854 131607Z

ADDITIONAL INFORMATION ON LEGISLATION PROPOSED IN US CONGRESS TO INCREASE DUTIES ON PALM OIL IMPORTS. HE NOTED US AGRICULTURE SECRETARY BUTZ WAS DUE TO VISIT KUALA LUMPUR APRIL 23-24, AND HE BELIEVED GOM WOULD RAISE SUBJECT WITH SECRETARY BUTZ. US DEL REPLIED THAT IT HAD NO SPECIFIC INSTRUCTIONS ON QUESTION OF PALM OIL IMPORTS, BUT NOTED AWARENESS OF SENSITIVITY OF ISSUE. US DEL OBSERVED THAT TO THE BEST OF ITS KNOWLEDGE, USG HAD NOT YET TAKEN PUBLIC POSITION ON SUBJECT OF PALM OIL IMPORTS.

8. ACTION REQUESTED: RESPONSE TO SPECIFIC QUESTIONS IN PARA 3 ABOVE.

9. COMMENT: MALAYSIAN DEL DID NOT INDICATE DURING
COURSE OF DISCUSSION THAT MALAYSIAN CONTRIBUTIONS TO
MEANINGFUL TP PACKAGE WERE OUT OF QUESTION. WE
EXPECT THAT MALAYSIA WILL ENGAGE IN BILATERAL
NEGOTIATIONS WITH US ON THIS TOPIC.CULBERT

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